

Date Mailed
June 20, 2000

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of Proposed Emergency Revision of Chapter PSC 116
Wis. Adm. Code – Cost of Fuel

1-AC-197

NOTICE OF RULEMAKING HEARING

Hearing Date:	Tuesday, July 11, 2000 – 10:00 a.m.
Hearing Location:	Public Service Commission, 610 North Whitney Way, Madison, WI (Amnicon Falls Hearing Room – 1st Floor)

At its open meeting on May 25, 2000, the Commission adopted an emergency rule to amend s. PSC 116.03(4) and create s. PSC 116.04(1)(b)6, Wis. Adm. Code, relating to the definition of fuel and permissible fuel costs. Under s. 227.24(4), Wis. Stats., a hearing is necessary following adoption of an emergency rule. The attached emergency rule took effect upon publication. Publication took place on June 5, 2000.

Analysis Prepared by the Public Service Commission of Wisconsin

Statutory authority: ss. 196.02(1) and (3), 227.11 and 227.24, Wis. Stats.

Statutes interpreted: ss. 196.20(4) and 196.192(2)(a), Wis. Stats.

1999 Wisconsin Act 9, s. 196.192(2)(a), Wis. Stats. required investor-owned utilities to file with the Commission rates that result in customers receiving market-based compensation for voluntary interruptions of firm load during peak periods of electric use. This creates an option that can result in a buydown of firm customers' demand as a direct alternative to purchasing power that is monitored under the fuel rules set forth at ch. PSC 116, Wis. Adm. Code.

This buydown is a direct alternative to purchasing power on the wholesale market. This would allow a utility to avoid making a purchase of power in favor of paying firm customers to reduce their usage. Presently, the cost to buy back firm load does not meet the definition of "fuel" set forth at s. PSC 116.03(4), Wis. Adm. Code.

Fiscal Estimate

The Commission anticipates there will no fiscal impact of the proposed rules on state and local units of government.

State of Emergency

In order to preserve the health, safety, and welfare of Wisconsin residential, commercial, and industrial ratepayers it is necessary to amend ch. PSC 116, Wis. Adm. Code. Amending the definition of “fuel” in s. PSC 116.03(4) and creating s. PSC 116.04(1)(b)6, Wis. Adm. Code, would allow investor-owned utilities the ability to incorporate the cost of voluntary curtailment into the cost of fuel to increase the reliability of electric service in Wisconsin for the summer of 2000 and beyond. This change would assist in implementing the requirement of 1999 Wisconsin Act 9, s. 196.192(2)(a), Wis. Stats.

Order of Adoption

Pursuant to ss. 196.02(1) and (3), 227.11, and 227.24, Wis. Stats., the Commission amends s. PSC 116.03(4) and creates s. 116.04(1)(b)6, Wis. Adm. Code. The attached emergency rule takes effect upon publication.

NOTICE IS GIVEN that a hearing will be held beginning on Tuesday, July 11, 2000, at 10:00 a.m. in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and continuing at times to be set by the presiding Administrative Law Judge. This building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact the case coordinator listed below.

Anyone having questions regarding the hearing schedule in this notice should contact Jeffrey J. Patzke, Administrative Law Judge, Public Service Commission of Wisconsin, P.O. Box 7854, Madison, Wisconsin 53707-7854.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

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Questions regarding this matter may be directed to Assistant General Counsel Leon M. Swerin at (608) 267-3589 or case coordinator Sharon K. Hennings at (608) 267-2160.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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EMERGENCY RULES

SECTION 1. PSC 116.03(4) is amended to read:

PSC 116.03(4) “Fuel” means coal, gas, nuclear fuel, oil, any other type of material used to generate electricity, ~~and~~ electricity purchased or sold wholesale-, and the voluntary curtailable load acquired under s. 196.192(2)(a), Stats.

SECTION 2. PSC 116.04(1)(b)6. is created to read:

PSC 116.04(1)(b)6 The costs incurred in acquiring voluntary curtailable load under §196.192(2)(a), Wis. Stats.

SECTION 3. EFFECTIVE DATE. As provided in §227.24(1)(c), Wis. Stats., the rules contained in this emergency order take effect upon publication in the official state newspaper.

(End)